



DOUGLAS A. DUCEY  
GOVERNOR

STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

April 1, 2019

The Honorable Katie Hobbs  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on April 1, 2019:

SB 1146 PSPRS; EORP; CORP; modifications (Livingston)  
SB 1054 early ballots; deficiencies; cure period (Ugenti-Rita)  
SB 1022 hours; seventh and eighth grades (S. Allen)  
HB 2274 Arizona power authority (Dunn)  
HB 2191 criminal justice records; prohibited uses (Payne)  
HB 2189 AZPOST; membership (Payne)  
HB 2178 milk manufacturing license; exemption (Weninger)  
HB 2177 regulatory sandbox program; amendments (Weninger)  
HB 2054 electronic wills; requirements (J. Allen)  
HB 2012 historic emergency vehicles; lighting; parades (Griffin)

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

House Engrossed

**FILED**  
**KATIE HOBBS**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 41**  
**HOUSE BILL 2274**

AN ACT

AMENDING SECTIONS 30-108, 30-201, 30-203 AND 30-204, ARIZONA REVISED  
STATUTES; RELATING TO THE ARIZONA POWER AUTHORITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 30-108, Arizona Revised Statutes, is amended to  
3 read:

4 30-108. Powers and duties of commission; annual report

5 A. The members of the commission shall devote to their duties as  
6 members such time and attention as is necessary to effectuate the purposes  
7 of this chapter and to carry out their duties and exercise their powers.  
8 The commission shall designate a person or persons who shall execute all  
9 documents and instruments on behalf of the authority.

10 B. The commission shall acquire suitable offices, furnishings and  
11 articles of equipment and necessary supplies.

12 C. Subject to title 41, chapter 4, article 4, the commission may  
13 employ a person in the capacity of director, manager or chief engineer who  
14 shall be a duly licensed engineer, but who need not be a resident or  
15 licensed in this state. The person shall be actively engaged in the  
16 practice of the person's profession and trained and experienced in the  
17 performance of the person's duties. The person shall not hold any other  
18 public office or have any interest in a business that may be adversely  
19 affected by the operation of the authority in the exercise of the  
20 authority's powers and discharge of the authority's duties.

21 D. The commission shall make and submit to the governor, the  
22 president of the senate, the speaker of the house of representatives, the  
23 chairman of the senate natural resources, energy and water committee and  
24 the chairman of the house of representatives energy, environment and  
25 natural resources committee, or their successor committees, on or before  
26 ~~December~~ JANUARY 1 each year a report containing a full and complete  
27 account of the commission's transactions and proceedings for the preceding  
28 fiscal year, together with other facts, suggestions and recommendations  
29 deemed of public value.

30 Sec. 2. Section 30-201, Arizona Revised Statutes, is amended to  
31 read:

32 30-201. Administrative and operation budgets

33 A. The authority shall on or before ~~July 1~~ in SEPTEMBER 30 each  
34 ~~fiscal~~ year adopt an administrative budget for the next succeeding fiscal  
35 year. The budget shall ~~not exceed the amount of seventy-five thousand~~  
36 ~~dollars for each fiscal year, and shall consist of a complete statement of~~  
37 ~~administrative expenditures from the fund during the past fiscal year and~~  
38 ~~an estimate of the different amounts which EXPENDITURES THAT may be deemed~~  
39 ~~necessary to meet administrative requirements of the authority for the~~  
40 ~~ensuing fiscal year, fixing the amounts proposed for all recurring items~~  
41 ~~of expense and an amount for contingencies or emergencies not~~  
42 ~~anticipated. No administrative expenditures shall be made therefrom in~~  
43 ~~excess of the total amount of the budget. Economies resulting in~~  
44 ~~remaining balances for any fiscal year shall be available for subsequent~~  
45 ~~administration or operating purposes.~~



1        B. The authority shall ~~likewise~~ ALSO for each similar period FISCAL  
2 YEAR prepare an operation budget covering operations and including capital  
3 items. ~~The budget shall consist of a full and complete statement of all~~  
4 ~~incoming receipts and expenditures for the past fiscal year and an~~  
5 ~~estimate of anticipated income and expenditures for the next ensuing~~  
6 ~~period. The budget shall also give a complete asset and liability~~  
7 ~~statement and statement of profit and loss, together with an itemized~~  
8 ~~statement of cash on hand, commitments, reserves and obligations~~  
9 ~~anticipated for the ensuing fiscal year, together with such other~~  
10 ~~information as will give a full and complete disclosure of the current~~  
11 ~~financial condition of the authority.~~

12        C. The original budgets shall be filed with the department of  
13 administration and copies thereof OF THE BUDGETS with the governor and  
14 state treasurer.

15        D. THE AUTHORITY'S BUDGET AND AUDIT FISCAL YEARS SHALL BE BASED ON  
16 THE FEDERAL FISCAL YEAR OF OCTOBER 1 THROUGH SEPTEMBER 30.

17        Sec. 3. Section 30-203, Arizona Revised Statutes, is amended to  
18 read:

19        30-203. Receipt of monies; disbursements; operation of  
20 accounting system; annual audit

21        A. Monies due the authority under agreements for the sale of  
22 electric power or other service, proceeds of revenue bond issues or any  
23 other obligations may be made payable at the office of the authority. All  
24 monies derived from operations of the authority of any nature and received  
25 by any officer, agent or employee of the authority shall be deposited,  
26 pursuant to sections 35-146 and 35-147, in the APPROPRIATE Arizona power  
27 authority fund. All operation monies of the authority received shall be  
28 accounted for and kept separate from any monies made available to the  
29 authority by any legislative appropriation and shall be paid out only in  
30 accordance with the regularly adopted authority operation budget on  
31 warrants in discharge of claims and obligations approved by the authority  
32 commission, signed by the authority chairman and countersigned by the  
33 authority director or other duly authorized authority officer.

34        B. The appropriate claim vouchers shall be regularly entered in the  
35 operations accounting system of the authority and preserved and exhibited  
36 for auditing purposes. The operations accounting system set up by the  
37 authority shall conform as nearly as practicable to the uniform accounting  
38 system prescribed for public service corporations.

39        C. The department of administration may at any time examine the  
40 books, accounts and vouchers of the authority. On notice from the  
41 authority, the state treasurer shall invest and divest monies in the fund  
42 as provided by section 35-313, and monies earned from investment shall be  
43 credited to the fund.



1       Sec. 4. Section 30-204, Arizona Revised Statutes, is amended to  
2 read:

3       30-204. Audit of operation funds and collateral deposits

4       A. AT THE AUTHORITY'S REQUEST, A district and state agencies  
5 authorized to issue revenue bonds subject to approval of the state  
6 certification board shall cause an ~~annual~~ audit to be made of their  
7 respective operation funds. Districts, state agencies and municipalities  
8 pledging any assessments, funds or property presently owned or to be  
9 provided, accumulated or acquired shall similarly cause an audit to be  
10 made of their respective collateral deposits. The audits shall be made by  
11 a certified public accountant within ~~thirty~~ SIXTY days after the close of  
12 the respective fiscal years of the districts, state agencies and  
13 municipalities, and each shall file a certified copy ~~thereof~~ OF THE AUDITS  
14 with the auditor general.

15       B. The auditor general ~~may, if he deems it advisable,~~ at the  
16 expense of the district, state agency or municipality concerned, MAY make  
17 ~~such~~ further audits and examinations as ~~he~~ THE AUDITOR GENERAL deems  
18 necessary and take appropriate action in relation ~~thereto~~ TO THE AUDITS as  
19 provided by title 41, chapter 7, article 10.1. Unless the auditor general  
20 takes official action within thirty days after filing the audit, ~~it~~ THE  
21 AUDIT shall be deemed sufficient.

22       C. The audits shall be in lieu of all other official audits of all  
23 operation funds or collateral deposits of the districts, state agencies  
24 and municipalities, except as ordered by a court of competent  
25 jurisdiction.

**APPROVED BY THE GOVERNOR APRIL 1, 2019.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 1, 2019.**

Passed the House February 14, 20 19

by the following vote: 60 Ayes,

0 Nays, 0 Not Voting

W. R. Boyce  
Speaker of the House

☒ Pro Tempore

Jim Drake  
Chief Clerk of the House

Passed the Senate March 25, 20 19

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Karen Farn  
President of the Senate

Susan Owens  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

26<sup>th</sup> day of March, 20 19

at 2:09 o'clock P M.

Ryan Schell  
Secretary to the Governor

Approved this 1st day of

April

at 4:09 o'clock P M.

George A. Duval  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 1 day of April, 20 19

at 4:22 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2274